

Newmarket Economic Development: Findings and Recommendations



PRESENTATION AND DISCUSSION

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- Economic Development Goals
- Economic Overview
- A Tour of the Town's Business and Mixed Use Zoning Districts – Development Opportunities
- Key Conclusions
- Outline of Recommendations
- Discussion

Economic Development Goals

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- Expand property tax base
- Increase availability of local goods and services
- Grow consumer markets to foster new business development and business growth
- Ensure adequate commercial space to accommodate desirable business development
- Promote development that retains the town's rural character and quality of life

ECONOMIC OVERVIEW

THE REGIONAL ECONOMY

The Regional Economy

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- Analyzed economic trends in four regions
 - Rockingham-Strafford counties
 - 3 adjacent regions
 - ✦ Hillsborough-Merrimack counties
 - ✦ Essex County, MA
 - ✦ York County, ME
- Analysis of the regional economy reveals local opportunities and strengths

The Regional Economy

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Major Regional Growth Sectors

- **Administrative and support services**
 - Office administrative services (e.g., payroll, billing services)
 - Services to buildings (e.g., janitorial, landscaping)
 - Business support services (e.g., call centers, copy shops)
 - Employment services
- **Healthcare and social assistance**
 - Ambulatory healthcare services
- **Professional, scientific, and technical services**
 - Computer systems design and related services
 - Architectural and engineering services
- **Accommodation and food services**
 - Food services and drinking places

The Regional Economy

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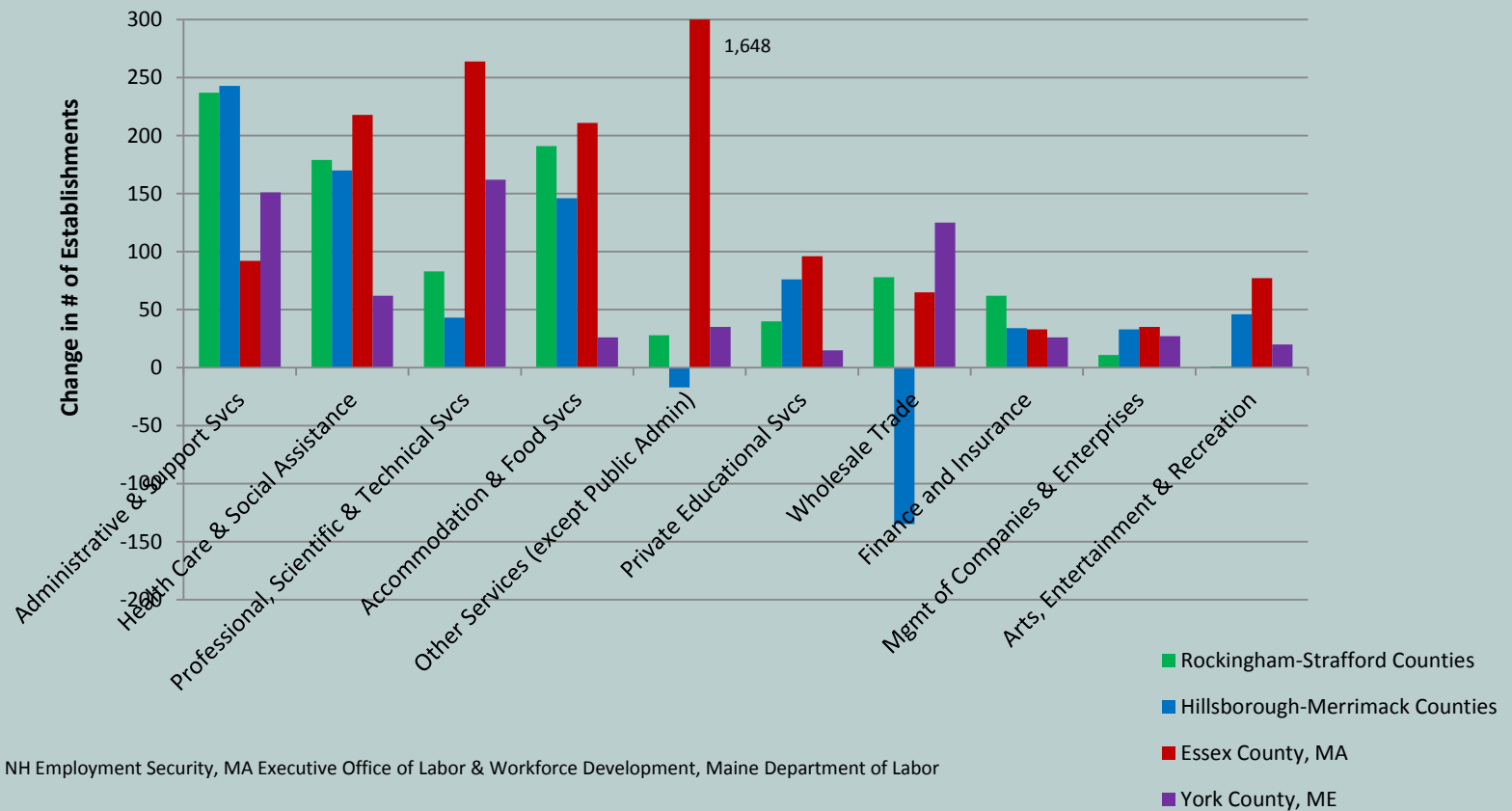
Major Regional Growth Sectors (cont'd)

- Other services
 - Personal and laundry services
 - Repair and maintenance
- Private educational services
- Wholesale trade
 - Wholesale electronic markets, and agents and brokers (e.g., b-2-b)
- Finance and insurance
 - Financial investment and related activities
 - Credit intermediation and related activities (e.g., banking)
- Retail: Health and personal care stores

The Regional Economy

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Regional Growth Sectors (Establishment Growth): 2001-11



Sources: NH Employment Security, MA Executive Office of Labor & Workforce Development, Maine Department of Labor

The Regional Economy

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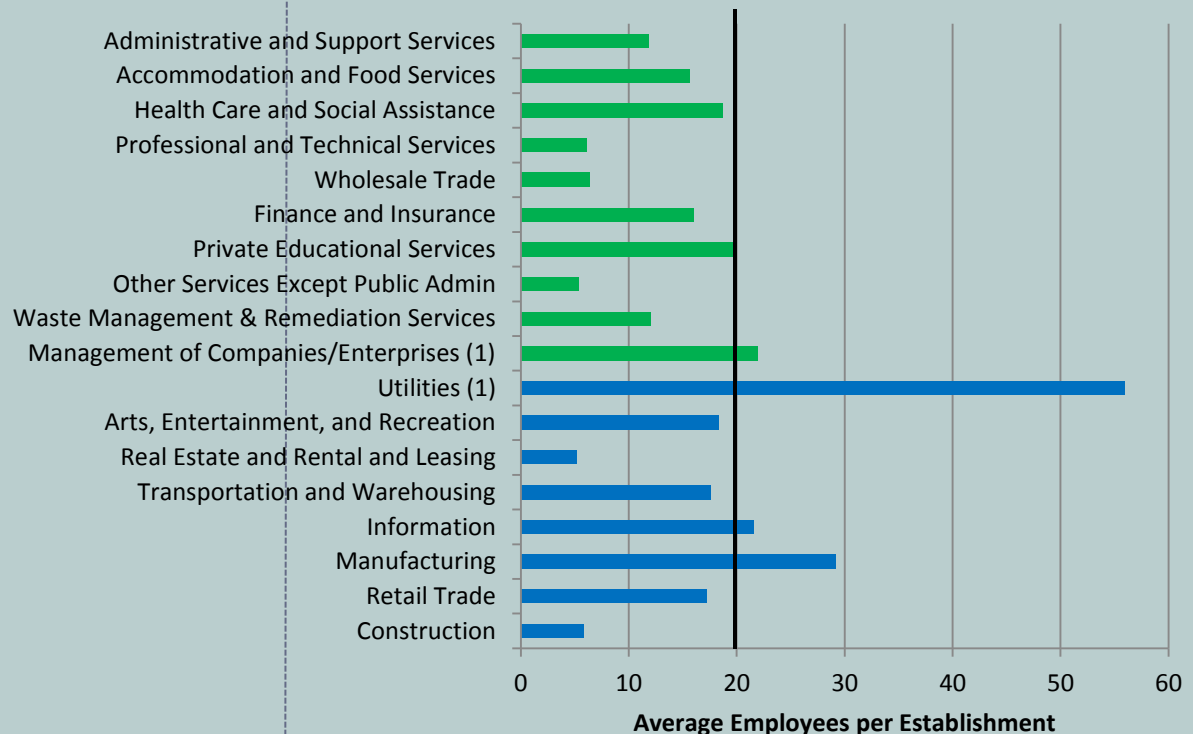
- UNH spin-offs have not been a regional economic driver but university is strengthening its commercialization efforts
 - Office for Research Partnerships and Collaborations
 - Interoperability Laboratory (testing and validating systems communications) – partnerships with leading tech corporations
 - Support for New Hampshire Innovation Commercialization Center (tech business acceleration)

The Regional Economy

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- Businesses in growth sectors need limited space
 - Establishments in most growth industries have an average employment size of < 20 in Rockingham-Strafford counties

**Average Employees per Establishment in Order of 2001-11 Growth:
Rockingham-Strafford Counties (Growth Sectors in Green)**



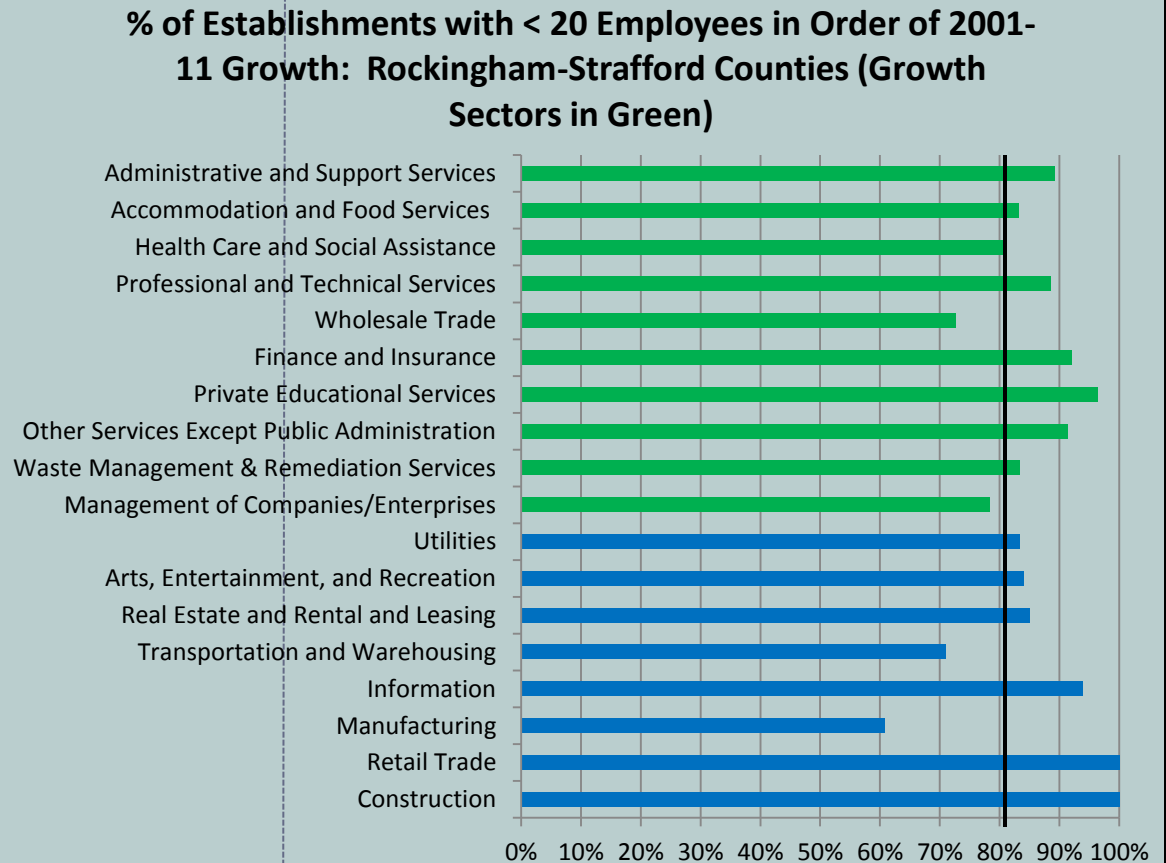
(1) Data for Rockingham County only - Strafford County data suppressed for confidentiality reasons

Source: N.H. Employment Security

The Regional Economy

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- 80% or more of establishments in most growth industries in Rockingham-Strafford counties have < 20 employees



Source: County Business Patterns, U.S. Census Bureau

The Regional Economy

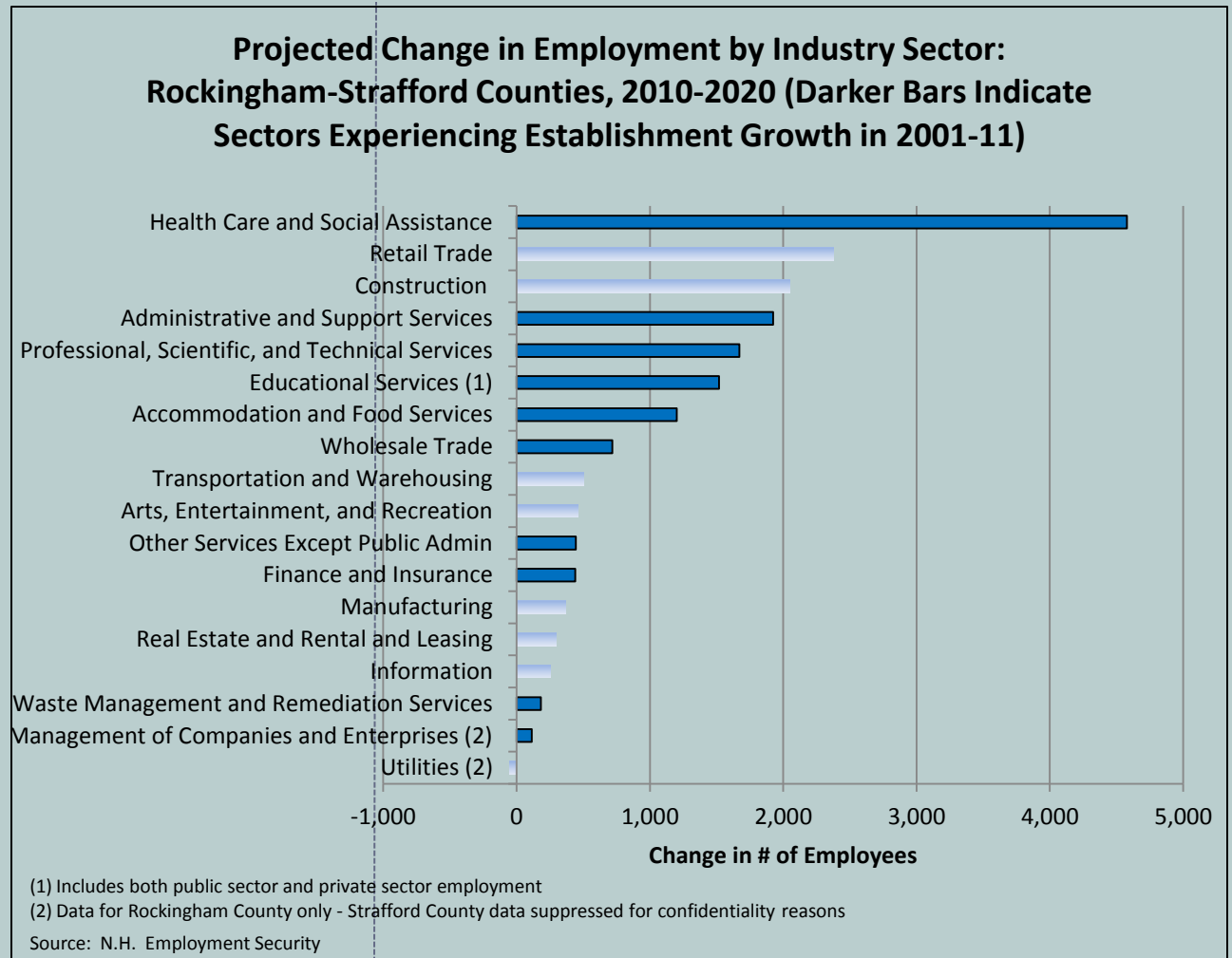
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- 10,000 square feet (less than ¼ acre) will accommodate the space needs of new establishments in growth industries with 20 employees or less
 - ✦ Office: 275-450 sf/employee: up to 9,000 sf
 - ✦ Medical office: 225-275 sf/employee: up to 5,500 sf
 - ✦ Restaurant: 100-450 sf/employee: up to 9,000 sf
 - ✦ R&D: 250-300 sf/employee: up to 6,000 sf

The Regional Economy

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- Industry sectors with high regional establishment growth are projected to continue growth in Rockingham-Strafford counties through 2020



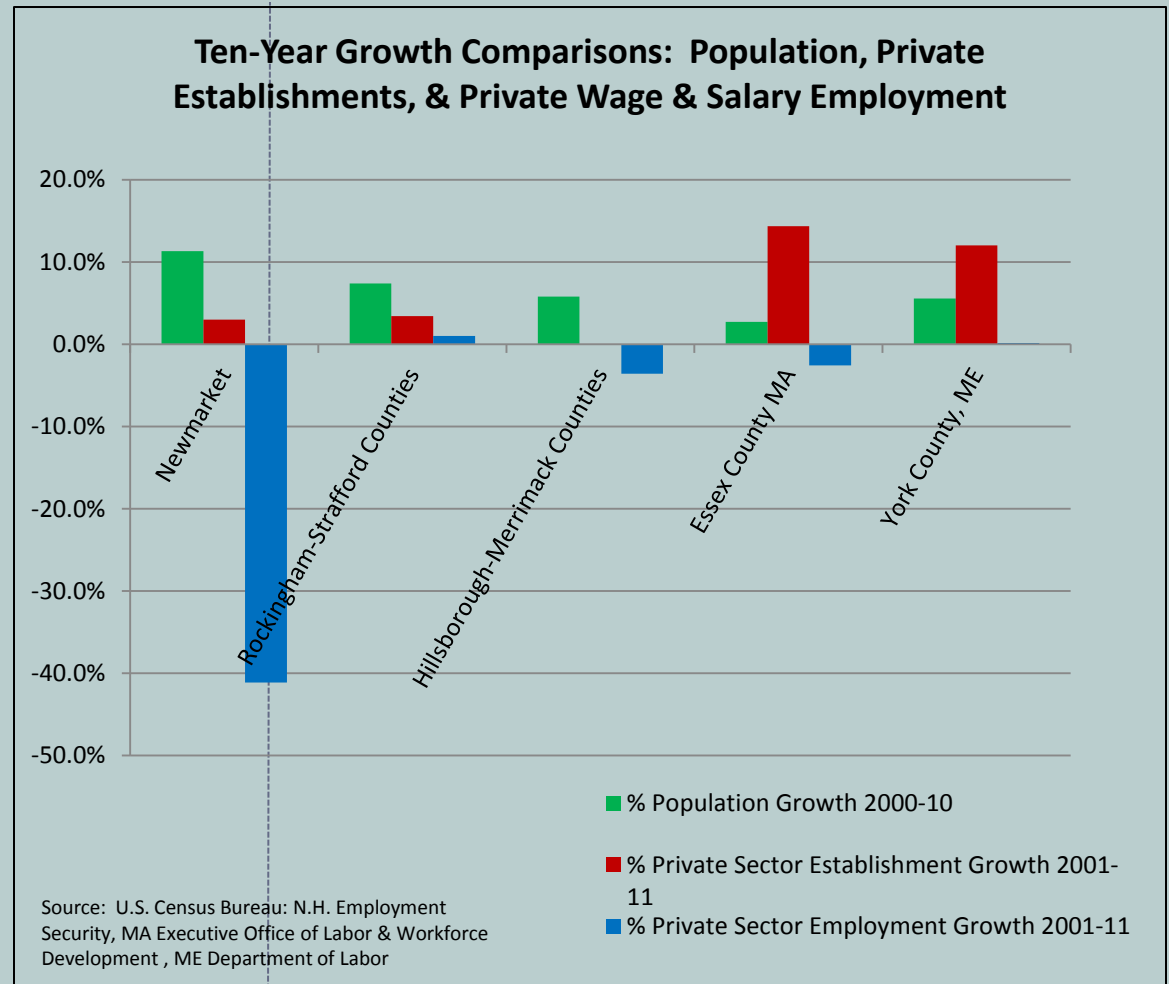


NEWMARKET IN THE REGIONAL ECONOMY

Newmarket in the Regional Economy

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- Newmarket exceeds regional peer groups in population growth but generally lags in establishment and employment growth

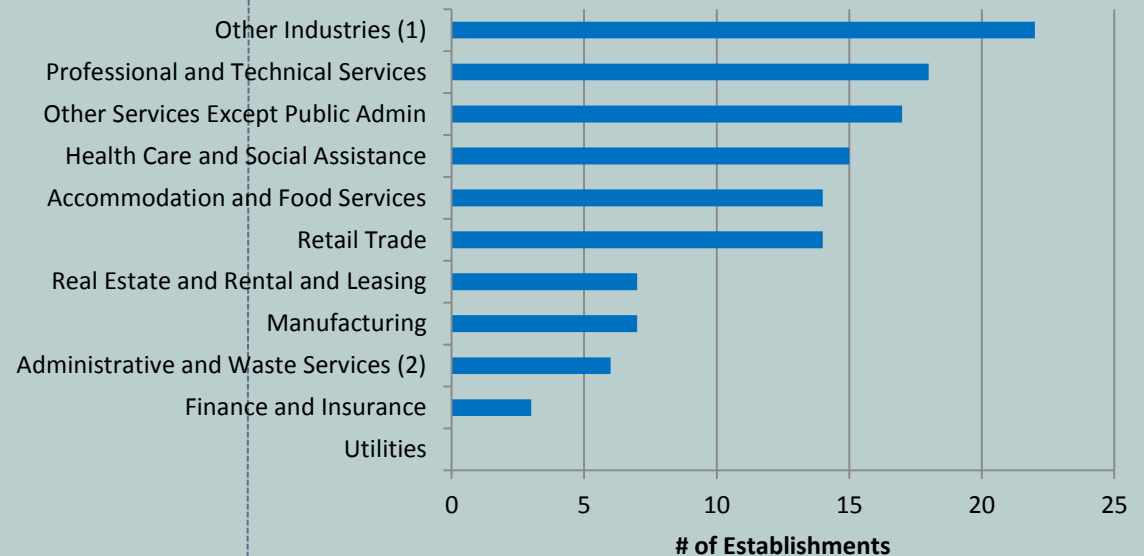


Newmarket in the Regional Economy

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- The vast majority of Newmarket businesses are in service and retail sectors

**Number of Establishments by Industry Sector:
Newmarket 2011**



(1) Other industries include agriculture/forestry/fishing, mining, construction, wholesale trade, transportation & warehousing, information, management of companies/enterprises, private educational services, and arts, entertainment & recreation. Individual data on these industries was suppressed for confidentiality reasons.

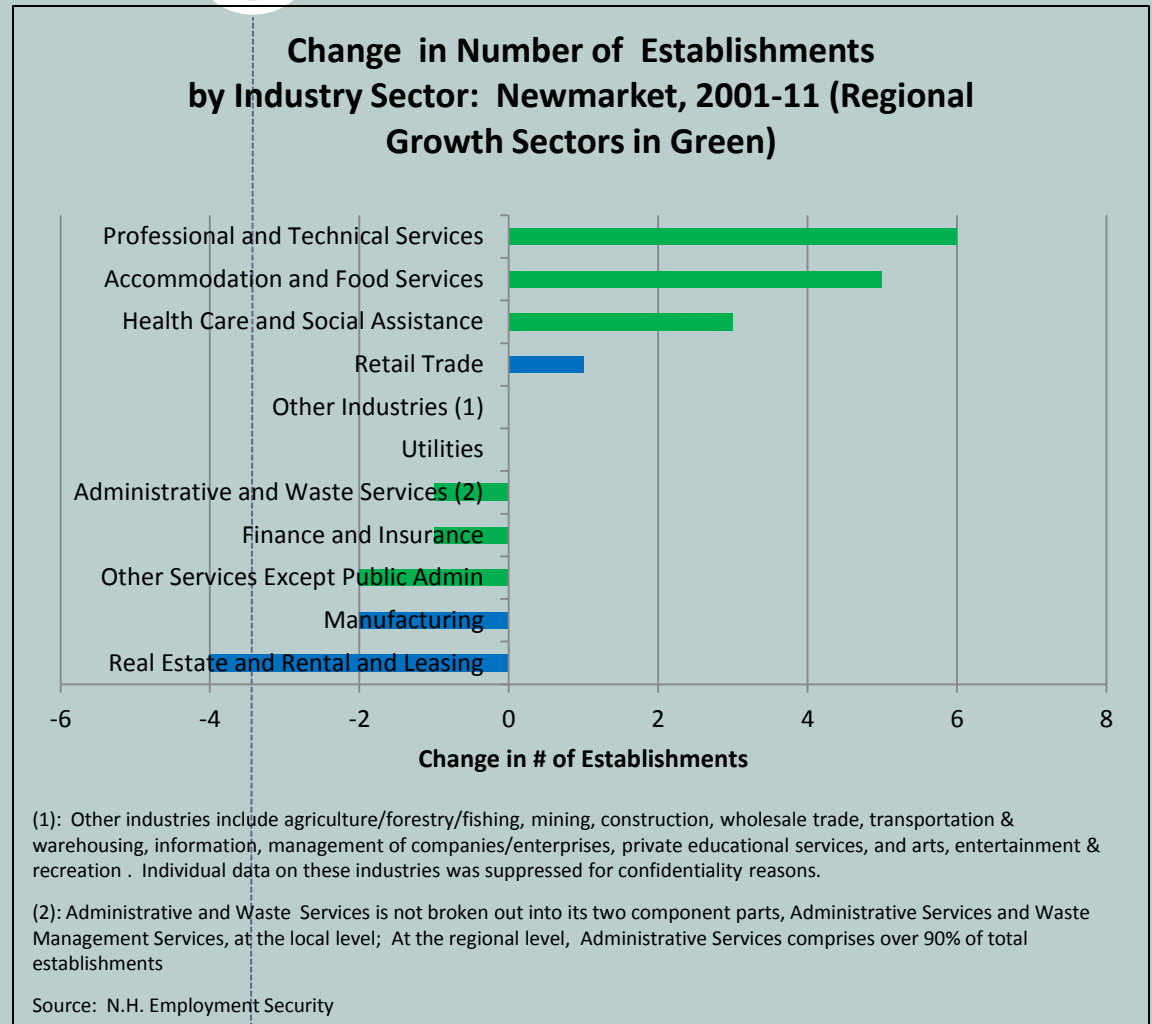
(2): Administrative and Waste Services is not broken out into its two component parts, Administrative Services and Waste Management Services, at the local level; At the regional level, Administrative Services comprises over 90% of total establishments

Source: N.H. Employment Security

Newmarket in the Regional Economy

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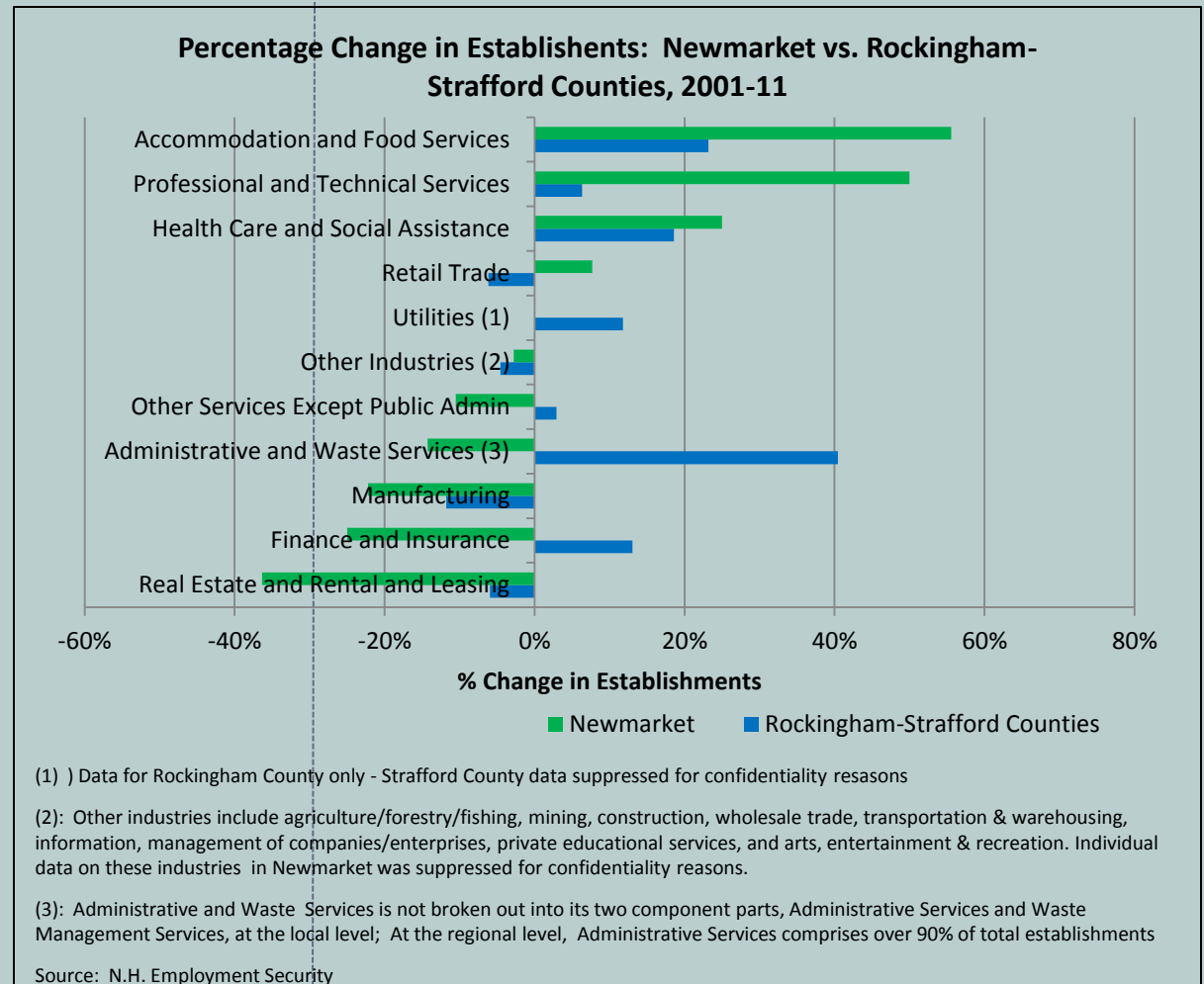
- Newmarket experienced establishment growth in 3 regional growth sectors but declines in 3 others
- Retail sector grew locally while declining regionally



Newmarket in the Regional Economy

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- Newmarket leads its closest peer region in establishment growth in 3 key growth sectors (strength), but lags in 2 others (opportunity)



Newmarket in the Regional Economy

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- Self employment does not show up in the local statistics but should not be ignored
 - Approximately 12% of Rockingham County residents are self-employed, primarily in...
 - ✦ Professional, scientific, and technical services
 - ✦ Construction
 - ✦ Real estate
 - ✦ Other services
 - Many home-based

Newmarket in the Regional Economy

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- A wealth of small entrepreneurs offer specialized products and services. Examples include:
 - Pursuit Brand Equity – regional brand management and sales
 - Integrated Audio Solutions – home theater & automation sales and installations
 - Novation North America – Italian footwear distributor
 - Testwood Designs – website design
 - Loco Sports – manager of distance running events
 - StoLat Organics – internet sales of organic body care products
 - Creative Revelations – creative workshops & personal coaching
 - Red Rover Coffee Roasting – roasting & internet sales of small-batch, specialty coffees

Newmarket in the Regional Economy

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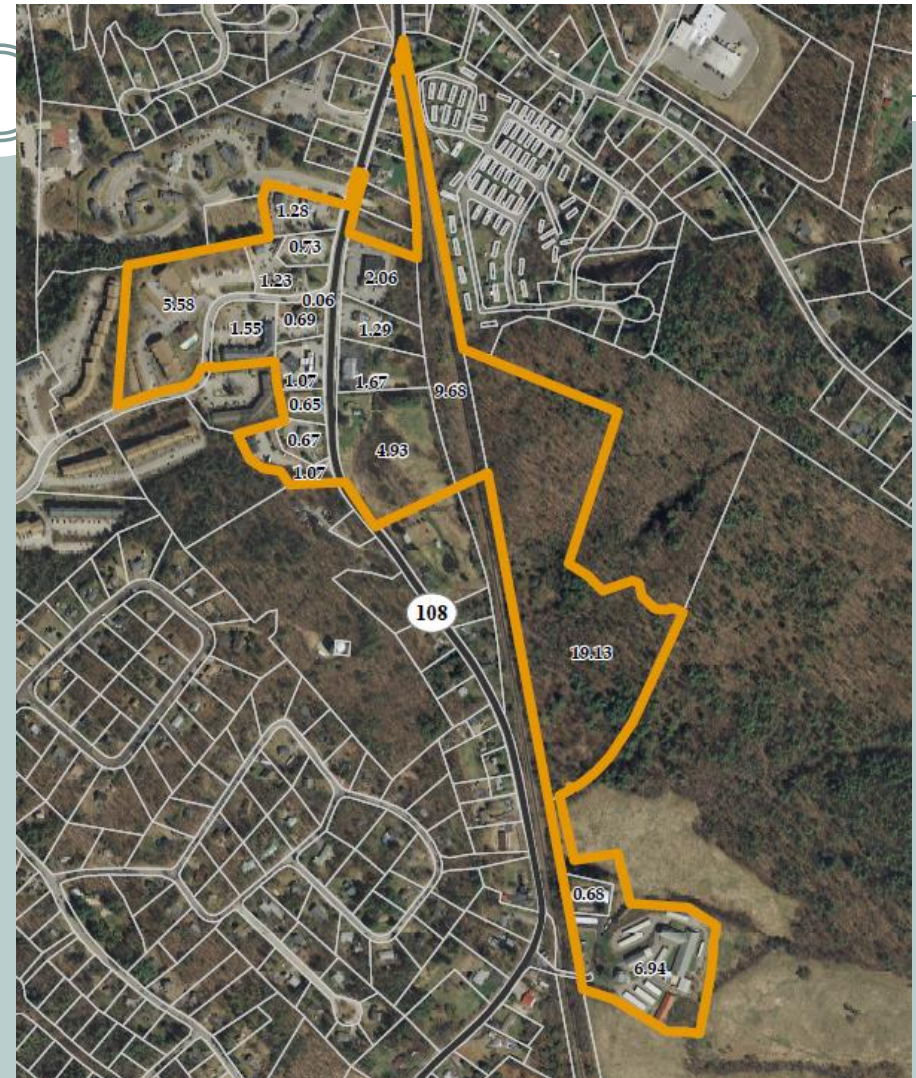
- Data support the assumption that creating jobs for residents is not a primary concern
 - Average unemployment rate 4.5% in 2012 (5.5% statewide)
 - Only 15% of Newmarket workers work in town

A TOUR OF THE TOWN'S BUSINESS AND MIXED USE ZONING DISTRICTS – DEVELOPMENT OPPORTUNITIES

DISTRICTS WITH DEVELOPMENT POTENTIAL

B-1 Zone center of town

- 4.9-acre parcel with redevelopment potential south of funeral home
- 19-acre parcel – access issues – potential access from 108 through self-storage facility to south, but bridge only 1 lane and weight-restricted



B-1 Zone north at Durham Town Line


- Handful of parcels 1 acre + with development or redevelopment potential
- Small residential parcels with commercial conversion potential – parking issues

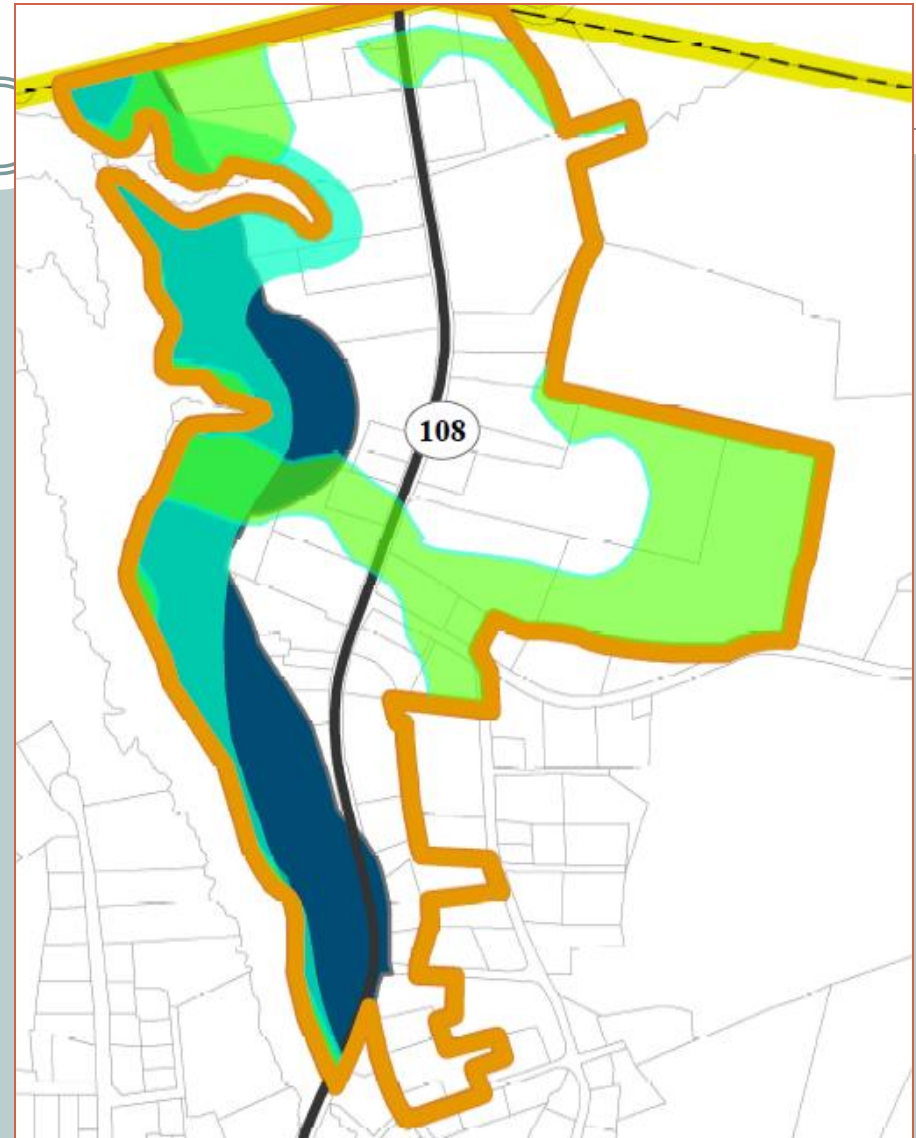


B-1 Zone north at Durham Town Line

- Development on some parcels restricted for conservation and flood control purposes

Zoning Overlay Districts

	Wetland Overlay District
	FEMA Floodplain
	Shoreland Protection Overlay District
	B-1 Zoning District
	Tax Parcel Boundary
	Municipal Boundary



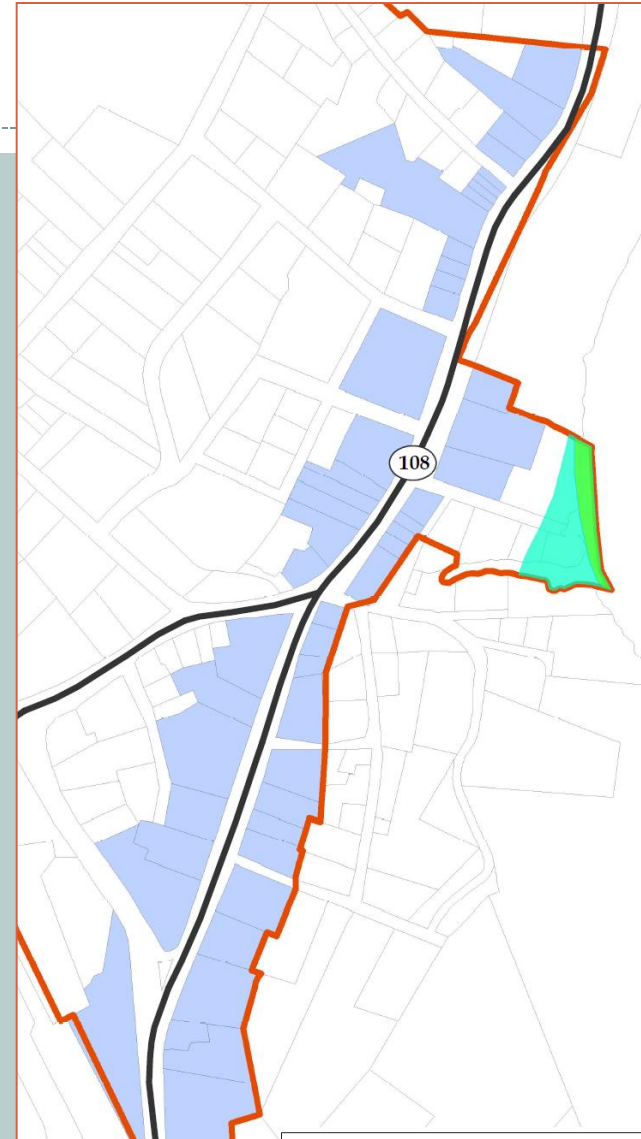
M-2 Zone

- Many residential structures on small parcels along 108 and 152 with commercial conversion potential – parking issues
- Potential for small parcel consolidation
- Post Office site and adjacent rear parcel offer greatest redevelopment potential (1.3 acres total)
- Possible relocation of Amtrak station from Exeter could spur adjacent development
- R&D should be permitted use



M-2 Zone

- Zone includes Downtown Overlay District which restricts residential to upper floors and prohibits front-lot parking



M-2A Zone north at Lamprey River

- Proposed Chinburg development may be a missed opportunity
 - 1 story low-density development on key downtown parcel
 - Fronts on Spring Street rather than Main Street
 - Doesn't achieve objectives of M-2A



M-2A Zone center of town at Route 108

- Existing medical office development
- A number of parcels ranging from 0.4 - 0.8 acres, some with deteriorated residential structures, with redevelopment/ conversion potential
- Undeveloped 0.75 acre parcel north of Rite-Aid



M-3 Zone

- Potential for redevelopment of existing high school and/or development of proposed new high school site depending on town decisions
- Potential for more mixed office/residential uses
- R&D should be permitted use





DISTRICTS WITH SIGNIFICANT BARRIERS TO DEVELOPMENT

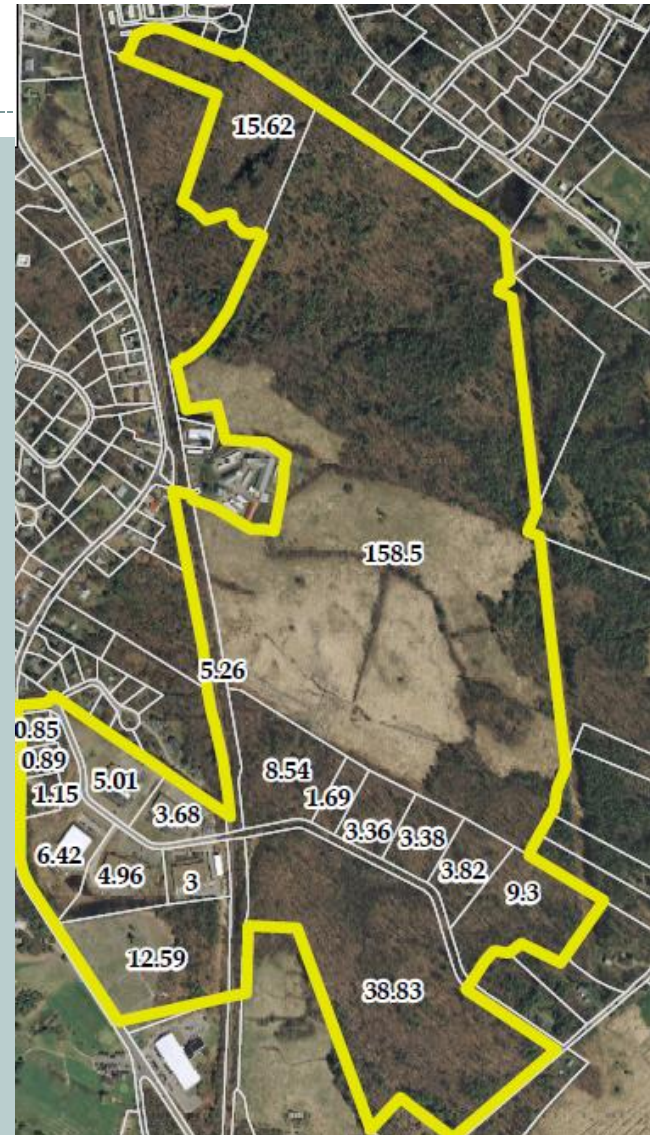
B-1 Zone south at Newfields town line

- 20-acre town-owned property but only right-of-way from New Road
- Access issues – no direct access from 108; 6 ton limit on New Road bridge over railroad track
- No town water or sewer



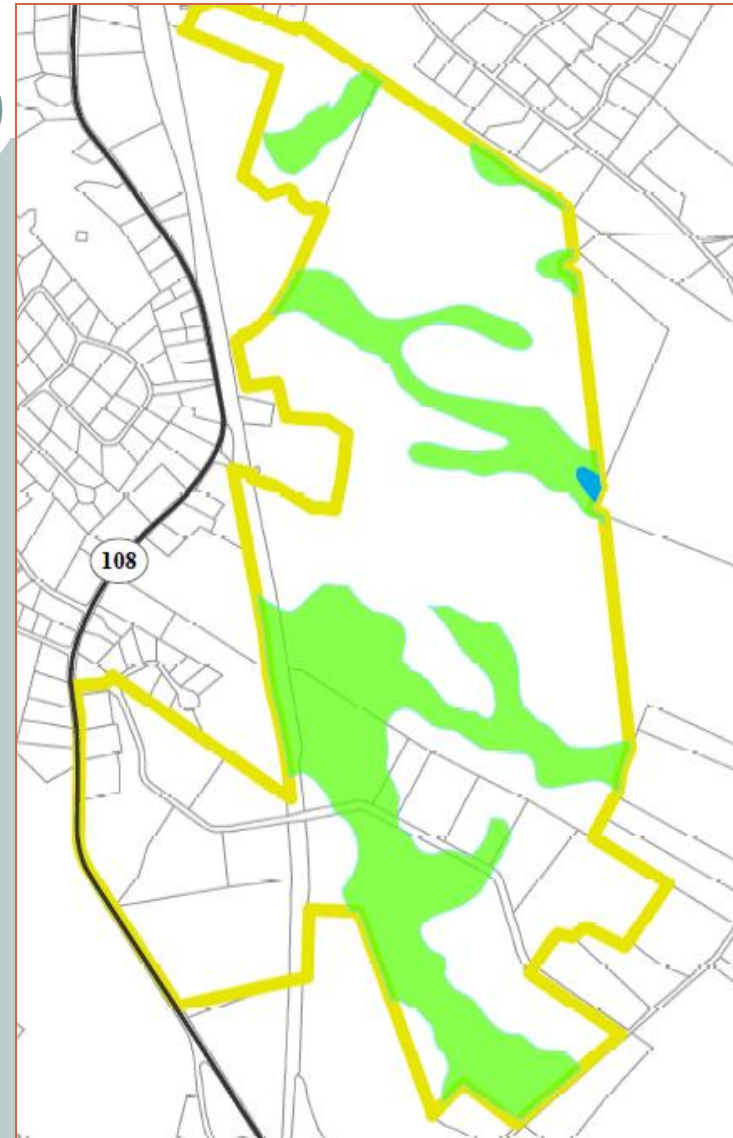
B-2 Zone Industrial Park and remaining undeveloped land

- Approximately 69 acres of town-owned land (adjacent to 20 acres of town-owned land in B-1 zone)
- Access from New Road only (6-ton bridge restriction) unless construction of RR crossing through Industrial Park – costly and unlikely to be permitted by rail line
- Private tracts also have access issues
- Has town water but not sewer



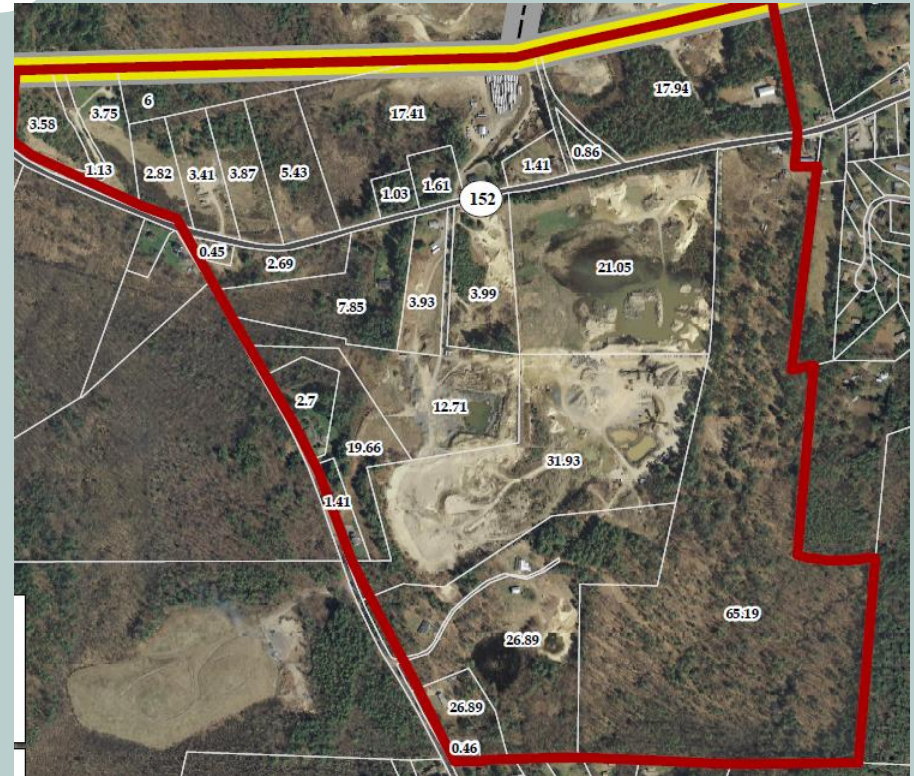
B-2 Zone Industrial Park and remaining undeveloped land

- Roughly half of town-owned land is wetlands – not developable



B-3 Zone


- Most remote from major highways of any B or M zone
- No access to some larger properties from 152
- Completely surrounded by R1 zone
- Potential remediation costs on some sites
- No town water or sewer

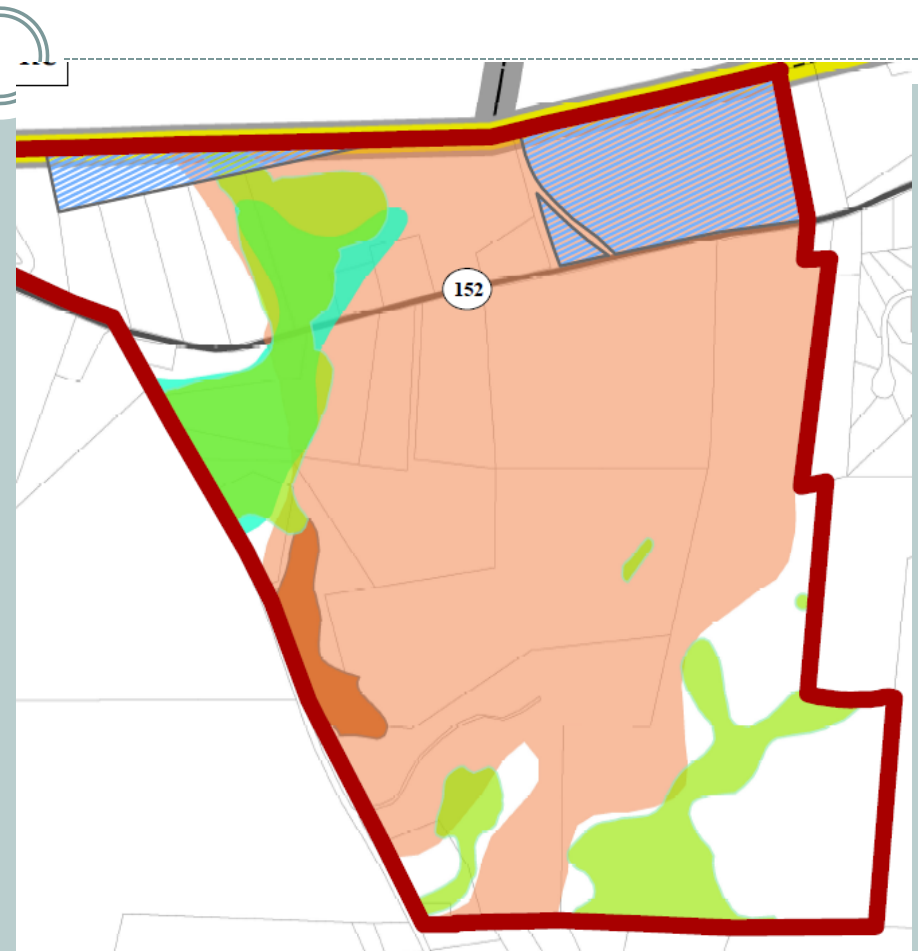


B-3 Zone

- Most of zone sits atop town aquifer – development limitations

Zoning Overlay Districts

	Telecommunications Overlay District
	Wetland Overlay District
	FEMA 100-year Floodplain
	Aquifer Protection Overlay District
	Steep Slope Overlay District
	B-3 Zoning District
	Tax Parcel Boundary
	Municipal Boundary





DISTRICTS WITH NO ADDITIONAL DEVELOPMENT POTENTIAL

B-2 Zone at Lamprey River



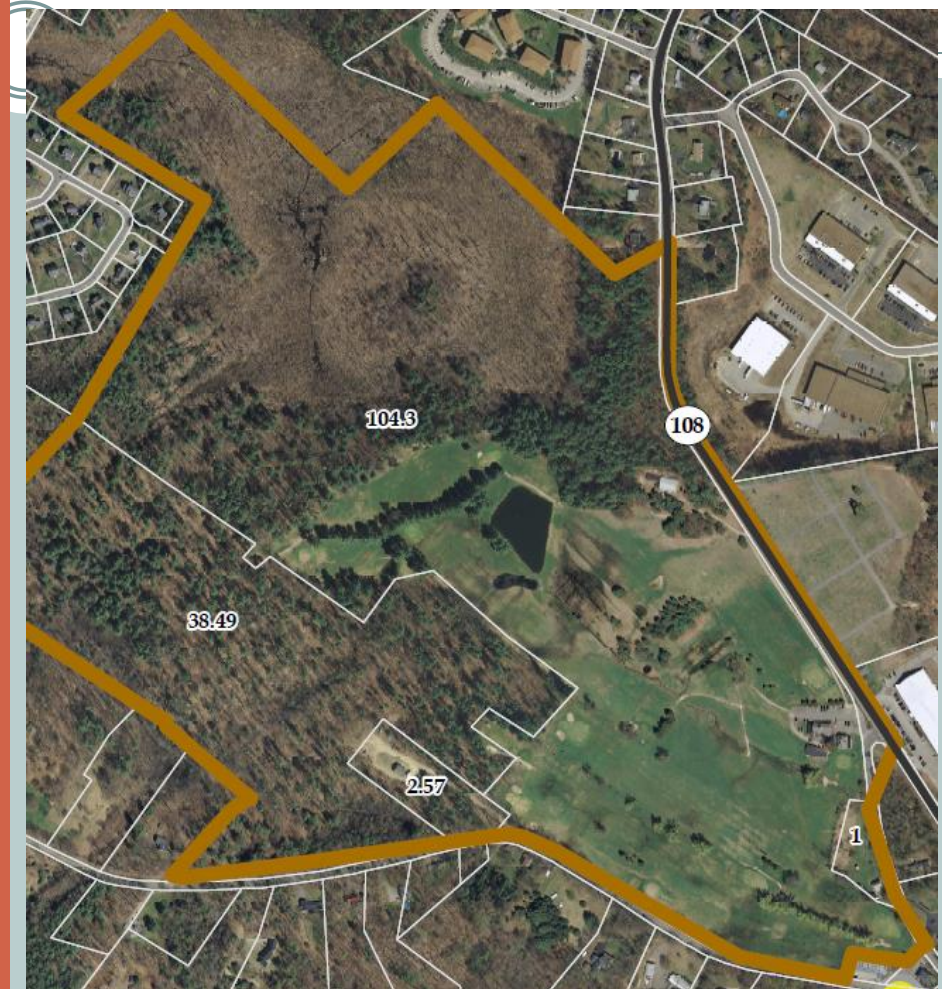
M-1 Zone

- Only undeveloped parcel (0.73 acres near northern edge) planned as parking lot for Durham Housing Authority development



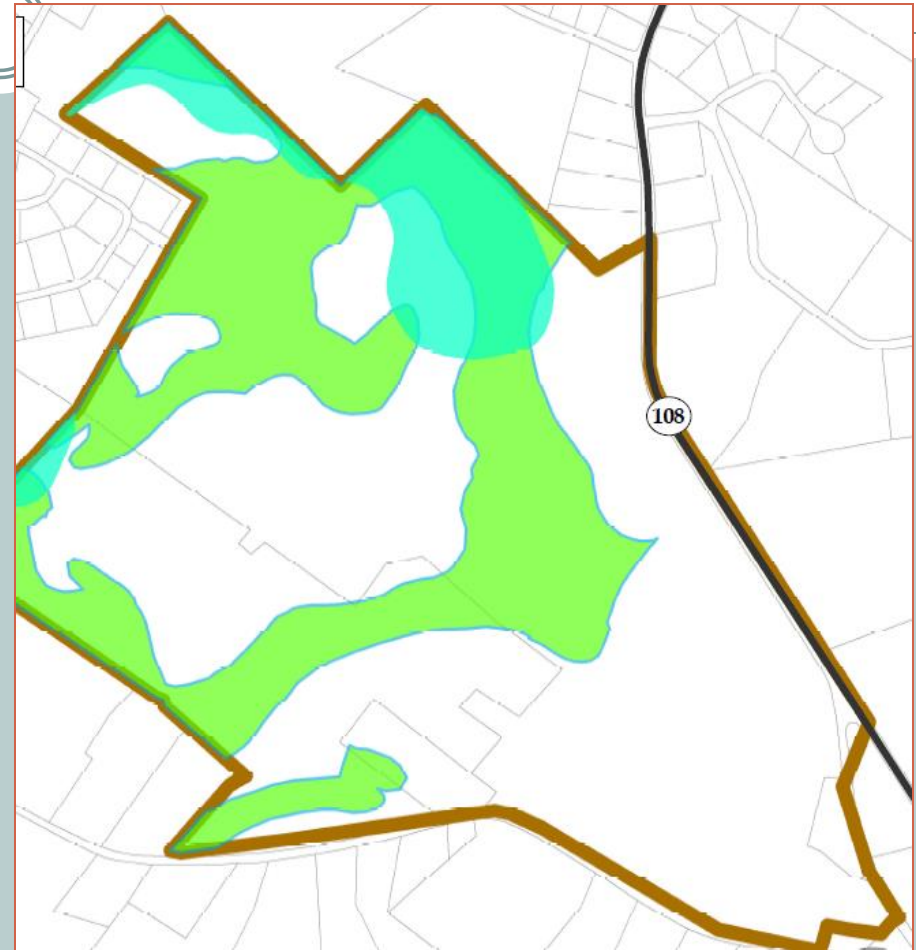
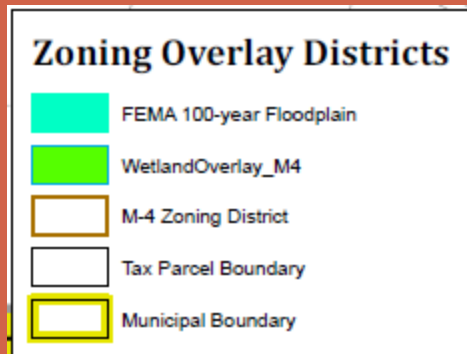
M-4 Zone

- Housing development adjacent to golf course already planned



M-4 Zone

- Much of other undeveloped land has environmental restrictions



KEY CONCLUSIONS

Key Conclusions

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- Newmarket has important assets that create economic development opportunities...
 - Growing town in a growing region
 - New England small-town appeal – lifestyle entrepreneurs
 - Pleasant, walkable downtown and waterfront
 - Available sites for small-scale conversions and new development
 - Relatively straightforward zoning regulations
 - Diverse workforce and housing stock
 - Good fit with industries offering growth opportunities (e.g., professional, technical & scientific services, administrative services, health care, food services)
 - Proximity to UNH with potential for small tech spin-offs

Key Conclusions

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- ...yet also has some liabilities that need to be addressed/taken into account
 - Not “on the map” -- needs a more well-defined image
 - Lack of information for prospective developers and businesses about available and potential sites
 - Some elements of zoning and site planning regulation may deter desirable forms of development
 - Certain forms of business activity precluded by
 - ✦ Distance from major highways
 - ✦ Limited capacity of local road network
 - ✦ Small size of most developable sites

Key Conclusions

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- There are a number of potential business targets consistent with local and regional economic trends and community preferences
 - Office administrative and business services
 - Professional and technical services
 - Medical services
 - Small technology startups, including UNH spin-offs
 - Independent and boutique retail and consumer services
 - Small grocery, specialty foods
 - Food and beverage establishments
 - Specialized, custom-made products and services
 - Internet sales

Key Conclusions

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- Development is likely to be incremental
 - Sites most suitable for development generally small – i.e., under 5 acres
 - Businesses in targeted industries generally have 20 or fewer employees, with space requirements of 10,000 sf or less
 - Few opportunities for large-scale development given Newmarket's location, accessibility issues, and developable sites
- High commercial occupancy rate makes additional commercial property development a precondition for business growth

Key Conclusions

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- Achieving goal of measurably reducing property tax rate would require a very aggressive commercial development effort
 - To reduce tax rate by \$1.00 would require an increase in valuation of commercial properties by \$46.3 million, from \$125.7 million in 2011 to \$172.0 million, or 37 percent*
 - Would require aggressive marketing of commercial sites and flexible approach to development
 - What is the balance between desire to maintain small town character with need for more commercial tax base?

*Assuming \$.26 in municipal costs for each additional dollar in revenue raised, based on national Cost of Community Services Studies

Key Conclusions

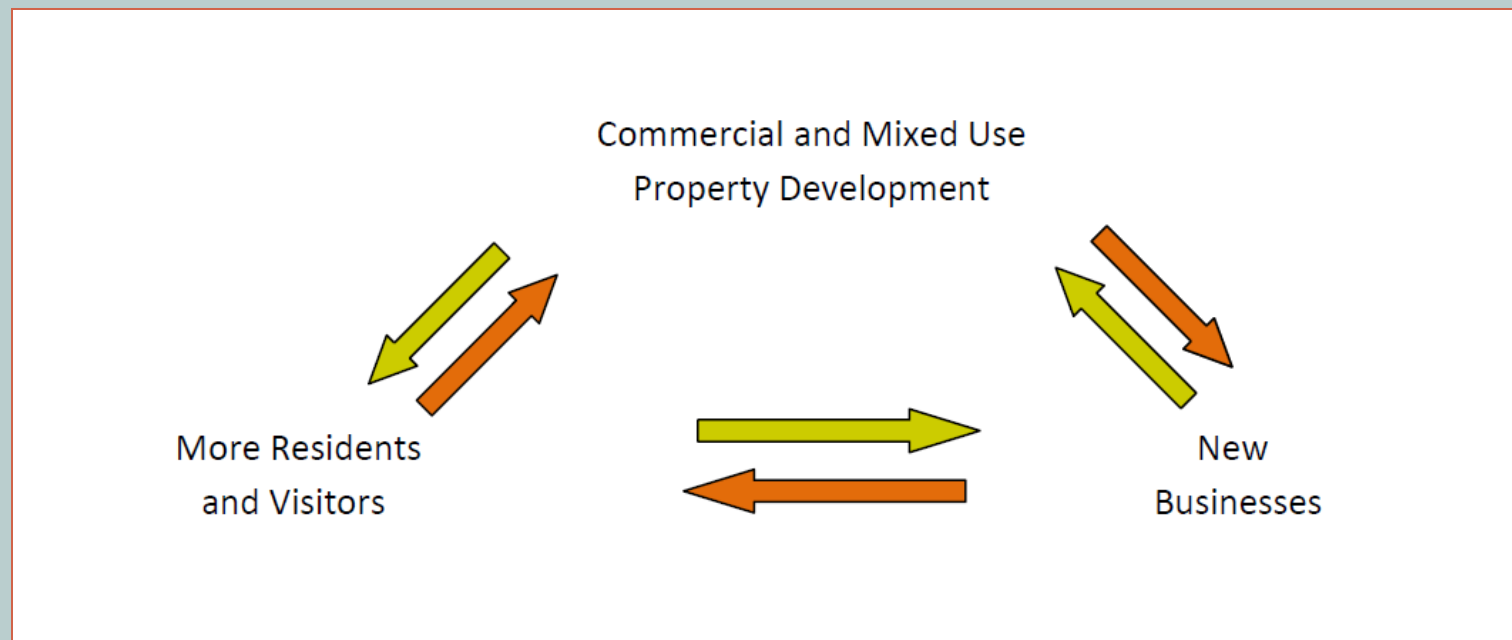
50

- Downtown offers most favorable economic development opportunities
 - Build on success of Newmarket Mills
 - Attractive features
 - ✦ Eclectic business mix
 - ✦ Growing dining and cultural/entertainment options
 - ✦ Riverfront
 - Several sites available for development, redevelopment, and residential-to-commercial/mixed use conversion
 - Good match with business growth opportunities
 - Enhances town's appeal as a business location – makes proximity to downtown an advantage

Key Conclusions

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- Mutually reinforcing elements can catalyze downtown's further development



Key Conclusions

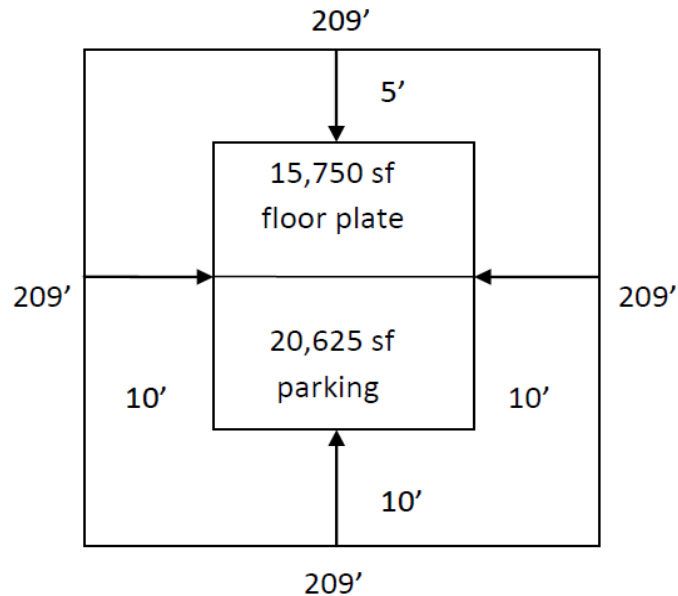
52

- Residential provisions of M-2 and M-2A zones are likely to hinder the objective of mixed-use
 - Residential density limit (6 units/acre)
 - ✦ Creates financial and design hurdles
 - ✦ 3-floor (M-2A) to 5-floor (M2) heights provided for in the zoning could not be achieved for 1st floor commercial with upper floor residential developments
 - ✦ Mixed use office/residential example suggests that residential density restrictions would prevent full 2nd floor residential if 1st floor is developed at maximum allowable square footage (see following slide)

Key Conclusions

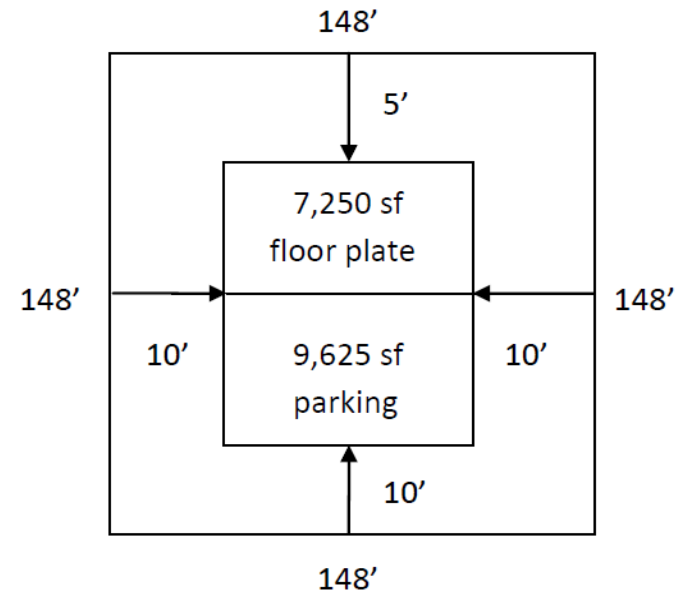
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1-acre lot



63 employees @ 250 sf = 15,750 sf
75 parking spaces @ 162 sf + aisles @ 70% = 20,625 sf
6 condominium units @ 1,200 sf + 10% common area = 7,920 sf, or 50% of floor plate

½-acre lot



29 employees @ 250 sf/employee = 7,250 sf
35 parking spaces @ 162sf + 70% aisles = 9,625 sf
3 condominium units @ 1,200 sf + 10% common area = 3,920 sf, or 54% of floor plate

Key Conclusions

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- B2 and B3 zones offer more limited opportunities
 - Manufacturing in decline regionally
 - Regional demand for large sites likely to be absorbed by areas closer to regional highways
 - Limited or no current road access to many parcels
 - No town water (B3) or sewer (both)

OUTLINE OF RECOMMENDATIONS

Outline of Recommendations

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General Principles

- Focus on downtown and adjacent areas as most promising economic development opportunities
 - View commercial development, business development, and resident/visitor attraction as mutually reinforcing objectives
- Raise the town's profile with key economic development actors to stimulate desirable investment and spending
- Make development regulation as transparent, efficient, consistent and flexible as possible without sacrificing the town's interests and values

Outline of Recommendations

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General Principles (cont'd)

- Maintain the town's existing business base through increased communication and attention to business needs and concerns
- Rethink uses for large business zones outside the town center in line with trends in the local and regional economy and the zones' locations and physical constraints

Outline of Recommendations

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Commercial Development

- Market development sites more aggressively to attract desirable forms of commercial and mixed-use development
 - Define the type, quality, and character of development the town wants to encourage
 - Seek out successful local and regional developers whose development philosophy and style fits most closely with the town's objectives rather than reactively waiting for development proposals
 - Develop a “for developers” page in the economic development section of the town's website describing appropriate development opportunities
 - Create an on-line parcel database for the B and M zones on the website to provide key information about available and potential development sites

Outline of Recommendations

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Commercial Development (cont'd)

- Increase the transparency, efficiency, and consistency of the development process and revise development regulation as necessary to promote desirable development consistent with the town's interests and values
 - Prepare a user-friendly developers' guide to development, explaining the development process and timeline, what is required at each step of the process, and where needed information can be found in the town's zoning and planning documents
 - Review the current development approval process with developer input to identify how it can be made more efficient without sacrificing essential regulatory oversight

Outline of Recommendations

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Commercial Development (cont'd)

- Consider zoning revisions that would provide greater flexibility for developers consistent with town objectives
 - Consider residential density bonuses for mixed use developers in the M-2 and M-2A zones who agree to conform to rigorous design standards that conform to the downtown's historic and architectural character
 - Review permitted uses and determine which uses can prudently be changed from special permit to by-rights (e.g., R&D in the M-2, M-3 zones)

Outline of Recommendations

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Business Development

- Target recruitment efforts to the firms identified in the analysis as offering the most favorable business development opportunities
 - Develop a “for business” page in the economic development section of the town’s website with information tailored to appeal to target businesses
 - Outreach to local realtors to promote the town as a business location for targeted businesses
 - Develop relationships with UNH Office of Research Partnerships and Commercialization and NH Innovation Commercial Center to promote the town as a location for small technology and other entrepreneurial start-ups

Outline of Recommendations

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Business Development (cont'd)

- Establish a Business Retention and Expansion Program with assistance from the UNH Cooperative Extension
 - “Turnkey” program established through partnership of UNH and local community

Outline of Recommendations

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Visitor Attraction

- Make Newmarket more of a visitor destination to increase visitor spending in local businesses and support additional business development
 - Develop a “for visitors” section on the town website describing its recreational, cultural, entertainment, and retail offerings
 - Develop an on-line comprehensive business directory and events calendar
 - Develop more special events that attract visitors, generate spending, and highlight the town’s assets
 - Use social media platforms to promote businesses and events

Outline of Recommendations

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Visitor Attraction (cont'd)

- Develop infrastructure that supports visitation
 - Promote the establishment of B&Bs
 - Build transient moorings at town dock to attract Great Bay recreational boaters
 - Consider expanding walking and biking trails

Outline of Recommendations

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Downtown Revitalization

- Establish shared vision – what does the community want downtown to be?
 - Zoning and design standards aligned with vision
- Create public-private partnership – collaboration among businesses, property owners, and town government
 - Branding/marketing
 - Additional events (e.g., visual arts/design, performing arts, outdoor recreation)
 - Public improvement and amenities
 - Maintenance and public services

Outline of Recommendations

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- **Downtown Revitalization(cont'd)**
 - Support and build on partnership between Newmarket Business Association and Rec Connect
 - ✦ Event coordination
 - ✦ Calendar
 - ✦ Marketing
 - Consider establishing Business Improvement District as public-private funding mechanism

Outline of Recommendations

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Repurposing of Zones (i.e., B-2 and B-3) Originally Targeted Primarily for Industrial Uses

- Initially-anticipated industrial uses are poorly aligned with trends in the regional economy and the town's competitive position
- Consider low-intensity uses more attuned to site limitations and character of surrounding area, for example....

Outline of Recommendations

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- Continuing Care Retirement Community
 - ✦ Developed and managed by experienced operators
 - ✦ Limited demand on town services
 - ✦ Town offers many attractive features
 - Outdoor recreation
 - Access to regional historical, recreational, and cultural venues
 - Proximity to UNH – enrichment opportunities
 - Interesting, walkable downtown
 - Proximity to regional hospitals
- Low density residential

Discussion

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- Overall reactions
 - Do the findings and conclusions accurately capture current conditions and trends; key opportunities and challenges?
 - Do the recommendations take the town in the right direction?
- Specific questions/concerns
 - Goals
 - Findings
 - Conclusions
 - Recommendations